





January 31st, 2010





#### Canada

Toronto Edmonton Calgary Ottawa Montreal Quebec City

#### USA

Philadelphia, PA Tampa, FL Denver, CO

The largest Canadian-owned marketing research and polling firm We are proud to present you with this research report, which was produced under the stringent quality standards of our company and those of the Marketing Research and Intelligence Association (MRIA). We are confident that this report will address your concerns and we hope to have the privilege of serving you again in the near future.

Jean. Marchegin

Jean-Marc Léger President



Leger



## CONTEXT AND OBJECTIVES

#### CONTEXT

It is assumed that many Canadians do not understand their tax returns and may not be taking advantage of tax credits as a result.

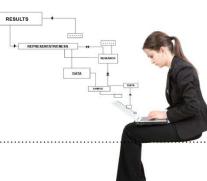
#### **OBJECTIVES**

To determine the extent to which Canadians are "in the know" when it comes to maximizing the value of their tax return.









#### RESEARCH METHODS



The survey was completed on-line from January 24<sup>th</sup>, 2011 to January 27<sup>th</sup>, 2011 using Leger Marketing's online panel, *LegerWeb*, with a sample of 1525 Canadians, 18 years of age or older.

A probability sample of the same size would yield a margin of error of +/-2.5%.

#### **ONLINE PANEL**

Leger Marketing's online panel has approximately 360,000 members nationally – with between 10,000 and 20,000 new members added each month, and has a retention rate of 90%.

Panel members are randomly selected to receive email invitations to the individual surveys.

We ensure the protection of privacy via the usage of unique URLs and respondent IDs in combination with survey IDs.

#### QUALITY CONTROL

Stringent quality assurance measures allow Leger Marketing to achieve the high-quality standards set by the company. As a result, its methods of data collection and storage outperform the norms set by WAPOR (The World Association for Public Opinion Research). These measures are applied at every stage of the project: from data collection to processing, through to analysis. We aim to answer our clients' needs with honesty, total confidentiality, and integrity.









# STRATEGIC CONCLUSIONS

- Overall Canadians don't seem to have a good understanding of what can be claimed on their tax returns and may therefore be losing out on many valuable tax credits.
- Most are unaware of eligible medical expenses the correct way to report spousal income or income earned in more than one province.
- The majority of Canadians with children in the household also lack an understanding of how to report childcare expenses or tuition or education credits for children in post-secondary education.









8 in 10 (82%) Canadians don't know that their approximate federal tax savings on a \$1,000 RRSP contribution with a taxable income of \$50,000 for 2010 would amount to \$220.

Women (15%), young Canadians under the age of

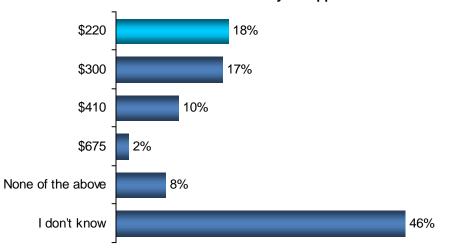
25 (11%) and seniors (13%) are less

knowledgeable of this fact.

Furthermore, it is interesting to note that 87% of Canadians for whom this statement applies to (i.e. they have a household income of \$40K to \$60K) are unable to choose the accurate response of \$220.

Nearly 9 in 10 Canadians with a household income of \$40K to \$60K are unaware of the approximate federal tax savings applicable to them on a \$1,000 contribution

"If you contributed \$1,000 to your RRSP and your taxable income for 2010 was \$50,000, what would be your approximate federal tax savings?"



Please select the option that you believe to be the most accurate. Base: All Canadians (n=1525)





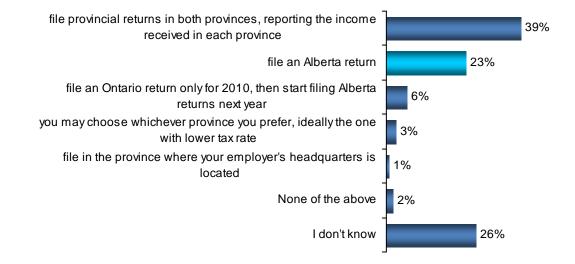
Only a quarter of Canadians accurately say they would file an Alberta return if they moved from Ontario to Alberta in June 2010 to take a new job (23%).

Young Canadians ages 18 to 24 (16%) are the most likely to incorrectly say they would file an Ontario return only for 2010, then start filing Alberta returns next year

3 in 4 Canadians 'in the dark' about reporting incomes earned in more than one province

Rather, 2 in 5 (42%) Ontarians most commonly say they would file provincial returns in both provinces, reporting the income received in each province

## "In June of 2010 you move from Ontario to Alberta to take a new job. When you file your income taxes you are required to..."



Please select the option that you believe to be the most accurate. Base: All Canadians (n=1525)





Most do not realize many common healthcare expenses can be claimed on their tax return While the majority of Canadians accurately recognize their ability to claim prescriptions as a medical expense on their tax return, especially those living in British Columbia and the Atlantic regions (72% each), most do not realize their ability to claim the other eligible expenses listed here (highlighted in bright blue).

Knowledge of one's ability to claim the expenses listed here does however, appear to increase over the age of 45.

Quebecker's and Ontarians are less likely than Atlantic Canadians and those in the Prairies to be aware that mileage for medical travel if over 40km is eligible (31% and 33% vs. 55% and 48%, respectively).

Ontarians, Albertans and those in British Columbia are also less likely than Atlantic Canadians or Quebeckers to realize that healthcare premiums paid to the group plan at work are eligible (22%, 23% and 16% vs. 38% and 39%, respectively). "What items on the list below can be claimed as a medical expense on your tax return?"

	Total
Prescriptions	61%
Dental check-ups	40%
Mileage for medical travel if over 40 kilometres	36%
Medical fees charged by your doctor to fill out certificates	32%
Hearing aid batteries	27%
Healthcare premiums paid to the group plan at work	27%
Private hospital rooms	23%
Lifeline medical alert service	20%
Operations or procedures performed outside of Canada	20%
Long term disability insurance plan premiums	18%
Hospital parking charges	12%
Travel health insurance premiums	10%
Cosmetic surgery after March 4, 2010	7%
Vitamins	2%
None of the above	6%
l don't know	20%

Please select the options that you believe to be the most accurate. Base: All Canadians (n=1525)

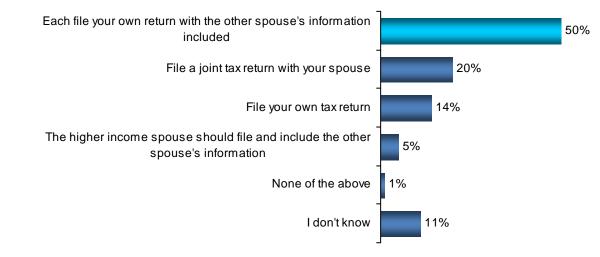




2 in 5 Married/ Common Law Canadians do not realize that they each need to file their own return with the other spouse's information included Half of Canadians know that if they got married or became common-law in 2010 and both spouses were working they each file their own return with the other spouse's information included (50%).

Canadians living in the Prairies and Quebec are the more likely to say to say this than those in Ontario (61% and 55% vs. 46%, respectively). Interestingly, 40% of Married/ Common Law Canadians do not realize this fact

"Congratulations - you got married or became common-law in 2010. Both you and your spouse have employment income. How do you file your return?"



Please select the options that you believe to be the most accurate. Base: All Canadians (n=1525)

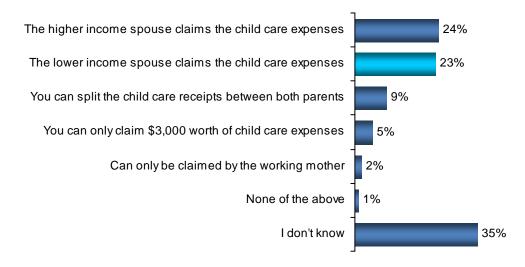




While a quarter of Canadians accurately would say "the lower income spouse claims the child care expenses" on their tax return (23%), most (58%) of Canadians with children in the household do not realize that this is the case

6 in 10 Canadians with children in the household are unaware that the lower income spouse claims the childcare expenses

## "You have a child in daycare and have all your receipts for 2010. How should you claim this on your tax return?"



Please select the options that you believe to be the most accurate. Base: All Canadians (n=1525)





Only 1 in 5 Canadians recognize that they would not be entitled to claim any tuition or education credits unless their child were to transfer them to them.

3 in 4 Canadians with children in the household do not realize that they are not entitled to claim any tuition or education credits unless their child transfers them to them

76% of Canadians with children in the household do not realize that this is the case.

"Your 19-year-old child is heading to university for full-time studies. You are paying for most of the expenses and they are still living at home. How can you claim the credits?"

	Total
You are not entitled to claim any tuition or education credits unless your child transfers them to you	22%
You can claim the dependant amount as well as the tuition amount you paid	20%
You can claim all your child's tuition and education credits	10%
You can claim a portion of the tuition expenses you paid	7%
You can only claim the dependant amount	6%
You can split the tuition and education credits with your child	5%
You can claim your child's textbooks	1%
None of the above	1%
I don't know	28%

Please select the options that you believe to be the most accurate. Base: All Canadians (n=1525)



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